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Lights, Camera...Where's the Action?

Brenda Sexton's got the date: April 5.

She's got the place: The Peninsula Hotel Beverly Hills.

She's got the guest list: eager to send an e-mail blast to about 2,000 Hollywood production-management types.

What she doesn't have is the centerpiece of her presentation: A spanking new financial incentive package designed to lure film and television production work to Illinois.

Sexton, director of the Illinois Film Office for the last three years, is headed to Santa Monica for the April 7-9 Locations Expo, the annual trade show at which film offices pitch their locations to the film and television production industries.

She's bursting to announce new legislation that would give a 20-percent tax credit on all movie-related spending in the state.

"It would be the biggest news out there!" she said of the initiative designed to reverse Illinois' trend of runaway movie and television production, projects lost to the lower cost climate in Canada and other U.S. states.

The hitch is that Springfield hasn't approved it yet. The House passed one version of a bill, but the Senate is set to vote on a different bill with more liberal tax breaks centered on use of a planned West Side soundstage.

The pending legislation has the potential to triple the amount of film production business the state gets, Sexton says. The bill's proponents say that by 2008, the state could see about \$300 million a year in production spending come in, along with about 35,000 jobs attached. That's up from a low of only \$26 million with 6,000 jobs in 2002.

The breakfast seminar Sexton's office is planning for about 100 people is among the marketing initiatives to augment legislative and infrastructure moves.

Her office also honors Hollywood types who champion Illinois as a place to film. And it coordinates an annual Sweet Home Chicago reunion for transplanted Illinoisans. Think mini Taste of Chicago in Hollywood, where a Murray or Belushi or Ramis is likely to be among the 1,000 to show up for food and prizes. Cubs great Ernie Banks appeared last October.

Industry players consider the breakfasts convenient in that they allow a chance to see colleagues, nosh and grab giveaways or raffle prizes before starting their day. A Chicago prize package that included a stay at the Four Seasons hotel, a restaurant dinner for eight and first-class round-trip American Airline tickets was a big attraction to a past event.

Sexton said, "Big Hollywood producers came to me and said, 'I came because I wanted the first-class round-trip tickets.'"

The productions are low-budget. The breakfast seminars cost about \$3,000, with most of that coming from private donations. Meanwhile, the payoff can be big. Actor Vince Vaughn followed his attendance at a September 2004 breakfast at the Universal Hilton with the filming of "The Break-Up" in Chicago. Then last year, the production team from that movie raved to other breakfast attendees about location filming experiences.

The breakfast seminars, though, are only effective when the office has an announcement, she said. And the Legislature has until its scheduled adjournment on April 7 to pass an incentive bill that would take effect May 1.

"The second I can begin marketing this new legislation, I will be all over it," Sexton pledged. "A day or two can make a difference in productions deciding where they're going."

Thanks to a 2003 law, studios can receive a 25 percent tax credit on some wages paid to Illinois residents (a 35 percent credit for wages paid to those from economically depressed areas). But responses from other states already have rendered Illinois' climate again noncompetitive, Sexton said. In the last year, other states initiated or developed more aggressive tax breaks in bids to reap jobs, potential tourism boosts and some bragging rights that come with hosting productions.

Even pending, though, the Illinois legislation has generated some buzz. "Passing these credits will mean more projects will come. The economics will make more sense," said independent producer Dama Chasle, who plans to bring a \$40 million movie to Illinois by the end of this year.

As a vice president of 20th Century Fox, Chasle was one of the first to take advantage of the 2003 incentive, bringing filming of the Bow Wow flick "Roll Bounce" to Chicago. She also recommended Illinois to the Fox television division, which was looking for a place to shoot "Prison Break." The hit show filmed its 26 episodes -- at \$2 million each -- primarily at a Joliet prison.

"I'm a huge proponent of Illinois productions, and putting Americans back to work," said Chasle, who was honored at an Illinois-sponsored reception last year.

"The initial incentive was a start, but to be competitive with other states, to stay in the game and to compete against Canada, the incentives need to increase," she said. "We were all being driven by the bottom line."

THE COMPETITION

Here's how three other venues are wooing movie production.

Massachusetts in November approved a 20 percent tax credit on wages paid in-state, a 25 percent credit on production spending and a sales tax waiver for companies spending at least \$250,000 in the state in a year.

New York City this year enacted a 5 percent credit on all production spending, in addition to the 10 percent credit the state already offered.

Wisconsin is debating providing a credit of 25 percent of production spending, a 25 percent investment tax credit, a 15 percent income tax credit and sales and use tax exemptions.